



Questions about your federal tax withholding??

I reached out to our software folks and this is what I have learned:

Due to the change in the tax tables, if Federal taxes are not being withheld, it means that based on how the W4 form is filled out; not making enough based on program's estimated annual tax calculation to trigger the tax table to withhold taxes. That being said employee(s) may likely have income from other sources, ie. 2nd job or spouses' earnings etc.

While I cannot provide guidance on how to fill this form out (we are to have your employees seek guidance from their tax professionals), she stated that I can provide you with the following:

You can calculate your (*last year*) federal tax percentile and request to have a flat tax percentage withheld that will get you closer to not owing taxes at the end of the year. The formula for calculating the tax percentage is: total federal tax due for (*last year*) divided by the taxable gross earnings. This figure may be rounded up/down to the nearest whole percentage. There is also the option of checking the box in 2(c) of the W4 form.

This is not financial advice, just an attempt to be transparent with information that I have learned and felt may be of importance.

We always recommend checking with your financial professional for guidance and advice.

Thanks.